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FISCAL IMPACT STATEMENT

LS 6272

BILL NUMBER: SB 144

NOTE PREPARED: Jan 4, 2009

BILL AMENDED:

SUBJECT: Confined feeding operation approvals.

FIRST AUTHOR: Sen. Paul

FIRST SPONSOR:

BILL STATUS: As Introduced

FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill establishes a 3-year moratorium on (1) the start of construction of confined feeding operations (CFOs); and (2) the expansion of CFOs that increase animal capacity or manure containment capacity, or both.

Effective Date: July 1, 2010.

Explanation of State Expenditures: There would be a reduction in expenditures for the Department of Environmental Management (IDEM). The specific reduction is indeterminable.

IDEM received 130 permit approval applications in FY 2009. Of these 130 applications, 54 were for construction applications.

As a part of the approval process, IDEM travels to appear before local units considering applications for the construction or expansion of CFOs, inspects sites of proposed facilities, reviews plans for compliance, reviews public comments, etc. If travel, personnel, and administrative costs to IDEM to process one application equaled \$100, the costs to process 54 construction applications would equal \$5,400. Given this figure, if the moratorium were in place for 3 years, IDEM's expenses would decrease by \$16,200 over a 3-year period.

Background: IDEM's Office of Land Quality oversees CAFOs and CFOs. In FY 2009, IDEM approved 108 CAFOs that house over 2,500 swine or over 10,000 nursery pigs; 15 CAFOs that house over 700 dairy cows or over 1,000 other cows; 21 CFOs that house between 30,000 and 125,000 chickens; 5 CAFOs that house

over 1,000 cattle; 5 CFOs that house from 5,000 to 30,000 ducks; one that housed turkeys and one that housed over 500 horses. In 2009, IDEM had oversight of 1,512 CFOs and 653 Concentrated Animal Feeding Operations (CAFOs) for a total of 2,165 operations.

Explanation of State Revenues: The moratorium would mean that IDEM could not accept applications for CAFO construction permits. Consequently, IDEM would not collect fees associated with the applications. The decrease in permit revenue would likely be offset by the reduction in administrative expenditures.

IDEM received 54 construction applications in FY 2009. Of the applications, 21 required a \$100 fee and 23 required \$250 in fees. Permits authorize discharges of waste into a geographical area. Given these figures, permit revenue for construction applications for FY 2009 was \$7,850. Fee revenue is deposited in the Environmental Management Permit Operation Fund, which is used to offset IDEM administrative expenses associated with issuing permits.

Explanation of Local Expenditures: The bill could result in a decrease in administrative expenditures for local units involved in approving operations.

Explanation of Local Revenues: The specific impact is not expected to be significant.

State Agencies Affected: IDEM.

Local Agencies Affected: Counties; planning and zoning authorities.

Information Sources: FY 2009 Legislative Report on CFO/CAFO Activities, IDEM.

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